

Message Text

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PAGE 01 GUATEM 02577 01 OF 02 281513Z
ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 SSO-00 INRE-00 NSCE-00
USIE-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01
IO-13 L-03 OIC-02 EUR-12 JUSE-00 FTC-01 AGR-05
INT-05 OES-06 ITC-01 /120 W
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O R 281400Z APR 77
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC IMMEDIATE 5752
INFO USUN NEW YORK 536

LIMITED OFFICIAL USE SECTION 1 OF 2 GUATEMALA 2577

DEPT PLEASE PASS ALL ARA DIPLOMATIC POSTS, BELIZE, OTTAWA,
LONDON

E.O. 11652 NA
TAGS: ECLA, GT, EGEN
SUBJ: ECLA: SECOND DELEGATION REPORT

REF: GUATEMALA 2506 (NOTAL)

1. SECOND DAY OF TECHNICAL LEVEL SEGMENT OF SEVENTEENTH
ECLA MEETING, APRIL 26, WAS UNEVENTFUL FOR U.S. IN COMMITTEE
I ON SUBSTANTIVE MATTERS. (DEVELOPMENTS IN COMMITTEE II
ON INSTITUTIONAL MATTERS ARE SUBJECT OF VARIOUS CABLES ON
SPECIFIC SUBJECTS, AND WILL NOT BE INCLUDED HERE.) MORNING
SESSION SAW VARIOUS OTHER LATIN, CARIBBEAN AND DEVELOPED
COUNTRY DELEGATIONS MAKE THEIR FIRST COMMENTS ON THE BASIC
WORKING DOCUMENT OF THE MEETING, THE THIRD-WORLDISH REPORT
OF ECLA'S LATIN CARIBBEAN CAUCUS (DEGAN). IN WAKE OF U.S.
DELEGATE'S NONCONFRONTATIONAL GENERAL COMMENTS PREVIOUS
AFTERNOON (REFTEL), NONE OF THE SUBSEQUENT REMARKS WERE
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PAGE 02 GUATEM 02577 01 OF 02 281513Z

VERY SUBSTATNTIVE.

2. OF THE VARIOUS INTERVENTIONS, THREE DESERVE BRIEF
MENTION:

A. CUBA - CUBAN DELEGATE TOOK THE FLOOR EARLY ON TO
DELIVER BRIEF UNCONTROVERSIAL EXPRESSION OF SUPPORT FOR

CEGAN REPORT AND OF CUBA'S INTEREST IN FRUITFUL OUTCOME OF MEETING. REFERRING TO U.S. DELEGATE'S EARLIER REMARKS, HE ALLOWED THAT "THE ROAD TO HELL IS PAVED WITH GOOD INTENTIONS."

B. UK - BRITISH DELEGATION, PERHAPS AS AN EARNEST OF ITS EXTREME GOOD BEHAVIOUR HERE IN GUATEMALA WHILE BELIZE DISPUTE IS TEMPORARILY OVERLOOKED, PRAISED CEGAN REPORT EFFUSIVELY.

C. CANADA - CANADIAN AMBASSADOR WAS QUITE PUT OUT THAT CANADA WAS VIRTUALLY IGNORED IN THE DOCUMENTATION FOR THE MEETING DESPITE A \$4 BILLION TRADE RELATIONSHIP WITH ECLA'S DEVELOPING MEMBERS WITH BALANCE IN DEVELOPING MEMBERS; FAVOR. ICING ON THE CAKE IS FACT THAT CANADA, THROUGH CIMA, FINANCES THE PRODUCTION OF THESE DOCUMENTS.

3. AFTERNOON AND EVENING OF APRIL 26 GIVEN OVER TO LATIN/CARIBBEAN CAUCUS TO REVIEW AND REVISE CEGAN REPORT, IN SPITE OF FACT THAT REPORT IS RESULT OF SIX DAY CEGAN MEETING IN SANTO DOMINGO MONTH AND A HALF AGO. RESULTS WERE NUMEROUS STYLISTIC AND MINOR AMENDMENTS. CHILE APPENDED ITS OWN DECLARATION TO THE EFFECT THAT CODES OF CONDUCT ON TRANSNATIONAL CORPORATIONS AND ON TRANSFER OF TECHNOLOGY MUST RESPECT SOVEREIGNTY OF EACH COUNTRY. COLOMBIA, CHILE AND EL SALVADOR PROLONGED CAUCUS WITH THEIR DISAGREEMENT WITH THE PARAGRAPHS IN REPORT ON COMMODITIES, IN DEFENSE OF SEPARATE TREATMENT OF COFFEE AND COPPER RESPECTIVELY. LIMITED OFFICIAL USE

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PAGE 03 GUATEM 02577 01 OF 02 281513Z

THEY WERE UNABLE TO PERSUADE THE OTHERS AND THUS HAD TO ENTER RESERVATIONS.

4. FULL COMMITTEE I RECONVENED APR 27 AND PROCEEDED TO REVIEW CEGAN REPORT SECTION BY SECTION. SINCE REPORT REPRESENTS DEVELOPING COUNTRY CONSENSUS (EXCEPT AS NOTED PARA 3), IT FELL TO DEVELOPED MEMBERS TO MAKE THEIR COMMENTS. BASIC U.S. POSITION REMAINED THAT WE CAN ACKNOWLEDGE CEGAN REPORT AS LATIN/CARIBBEAN STANCE AND THEREFORE WE WILL NOT ATTEMPT TO AMEND IT IN ANY WAY. NEVERTHELESS U.S. (ROGERS) INTERVENED SEVERAL TIMES TO PUT ON THE RECORD U.S. PROBLEMS WITH DIFFERENT PORTIONS OF THE DOCUMENT.

5. U.S. DEL REITERATED APPRECIATION FOR FRANKNESS OF DOCUMENT IN RECOGNIZING THAT GROWTH AND ECONOMIC DEVELOPMENT WERE NOT EQUIVALENT. U.S. HAS RECOGNIZED THIS FACT IN TARGETING AID TO POOREST COUNTRIES AND POOREST PEOPLE IN LAST FEW YEARS. U.S. DEL TOOK ISSUE WITH PARA 18,

(ON NIEO, ETC., "COMMITMENTS") POINTING OUT U.S. ACCEPTS NEED FOR A NEW SYSTEM OF ECONOMIC PROGRESS AND COOPERATION AND THAT WE ARE PARTICIPATING IN A WIDE RANGE OF NEGOTIATIONS AND CONSULTATIONS, INCLUDING THE CURRENT ECLA SESSION, WITH THE LDCS TO THIS END. DEL NOTED THAT INCREASING INTERDEPENDENCE OF NATIONS, CITING RECENT EXPERIENCES WITH INFLATION AS EXAMPLE, MAKES COOPERATIVE APPROACH NECESSARY FOR BOTH LDS AND DCS.

6. DEL ALSO STATED THAT THERE ARE ELEMENTS PARA 57 (ON TNE'S) WHICH WE SIMPLY DO NOT BELIEVE, WHILE RESPECTING THAT PARA AS ONE POINT OF VIEW HELD BY MANY. DEL SAID THAT TNE'S ARE AN IMPORTANT VEHICLE FOR THE TRANSFER OF MANAGERIAL SKILLS, TECHNOLOGY, AND CAPITAL MANAGEMENT TO THE BENEFIT OF BOTH THE RECIPIENT COUNTRY AND THE HOME COUNTRY. WHILE RECOGNIZING ROOM FOR IMPROVEMENT, WE BELIEVE THERE HAS BEEN IN RECENT PAST MUCH GREATER FLEXIBILITY ON THE PART OF TNE'S AND HOST GOVERNMENTS IN FINDING WAYS OF FITTING TNE'S INTO THE ECONOMIC PLANS LIMITED OFFICIAL USE

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PAGE 04 GUATEM 02577 01 OF 02 281513Z

AND ASPIRATIONS OF HOST COUNTRIES AND HOPE THAT PROCESS WILL CONTINUE

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PAGE 01 GUATEM 02577 02 OF 02 281532Z

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LIMITED OFFICIAL USE SECTION 2 OF 2 GUATEMALA 2577

7. UK DELEGATION, IN INTERVENTION COVERING FIRST PART OF DOCUMENT, ASSERTED REVIEW OF UK RECORD ON TREATMENT OF LDC'S WOULD NOT SUPPORT CONTENTION THAT THERE WAS LACK OF POLITICAL WILL IN PURSUING GOALS OF INTERNATIONAL DEVELOPMENT STRATEGY AS CEGAN DOCUMENT CHARGES. POINTED TO MAINTENANCE OF ASSISTANCE LEVELS DESPITE ECONOMIC ADVERSITY. FRANCE AND NETHERLANDS MADE SIMILAR INTERVENTIONS.

8. TRINIDAD AND TOBAGO, SEEKING TO DRAW ATTENTION TO CARIBBEAN REGION, POINTED TO SPECIAL NEEDS OF ISLAND COUNTRIES, SPECIAL TRANSPORTATION PROBLEMS, FISHING AS SOURCE OF FOOD. HAITI AND GRANADA UNDERScoreD SIMILAR CONCERNS.

9. COMMITTEE AGAIN LOOKED TO DC MEMEBERS FOR COMMENTS WHEN IT TOOK UP PLAN OF ACTION ON BASIS LATIN VIEWS ALREADY RECORDED IN CEGAN DOCUMENT. U.S. DEL ACKNOWLEDGED IMPORTANCE OF COMMODITY TRADE TO LATINS, UNDERScoreD U.S. PREFERENCE FOR JOINT PRODUCER/CONSUMER LIMITED OFFICIAL USE

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PAGE 02 GUATEM 02577 02 OF 02 281532Z

FORUMS, AND NOTED U.S. RATIFICATION OF THREE COMMODITY AGREEMENTS IN LAST FEW MONTHS AND ACTIVE INVOLVEMENT IN CURRENT SUGAR NEGOTIATIONS. ON MTN, DEL POINTED OUT LARGE LA STAKE IN RELIABLE TRADING SYSTEM AND IMPORTANCE OF ACTIVE LATIN ROLE IN THE NEGOTIATIONS. HE ALSO MENTIONED CARTER ADMINISTRATION INTENTION TO GIVE NEW IMPETUS TO THE MTN. DEL NOTED INTEREST OF U.S. AND LATINS IN INTERNATIONAL UNDERSTANDING ON SUBSIDIES AND COUNTERVAILING DUTIES. DEL SAID U.S. BELIEVES ITS GSP IS GOOD SYSTEM AND CITED 1976 STATISTICS SHOWING INCREASED TRADE IN GSP ELIGIBLE ITEMS. NOTED CURRENT REVIEW WITH OBJECTIVE OF MAKING IMPROVEMENTS AND INVITED LATINS TO INFORM USG OF THEIR EXPERIENCES WITH THE PROGRAM. DEL COMMENTED FAVORABLY ON SECRETARIAT PROPOSALS FOR A STANDARDS INSTITUTE, STUDIES OF FACTORS EFFECTING TRADE IN SPECIFIC PRODUCTS, AND ANTICIPATED RECIPROCITY, EXPRESSING SUPPORT FOR FURTHER STUDY OF THE FIRST TWO AND INDICATING WITH RESPECT TO THE THIRD THAT THE U.S. MIGHT BE ABLE TO ACCEPT RECENT UNILATERAL LATIN AMERICAN TRADE LIBERALIZATIONS AS PART OF THEIR CONTRIBUTIONS IN THE MTN.

10. U.S. DEL AGREED THAT FUTURE AVAILABILITY OF ADEQUATE INTERNATIONAL FINANCING IS IMPORTANT ISSUE. HE NOTED PRESIDENT'S REQUEST FOR \$7.5 BILLION FOR AID, EFFORTS TO FULFILL U.S. PLEDGES TO IFI'S AND SUPPORT FOR INCREASED U.S. RESOURCES FOR UNDP. PRE-

CEDING WAS GIVEN AS BACKGROUND TO STATEMENT REITERATING
USG OPPOSITION TO SDR-DEVELOPMENT ASSISTANCE LINK WHICH
HE ARGUED WOULD TIE TOGETHER THE RESPONSES TO TWO VERY
DIFFERENT PROBLEMS FREQUENTLY REQUIRING VERY DIFFERENT
SOLUTIONS. HE ALSO ACKNOWLEDGED THE BUILD-UP OF DEBT BY
SOME LDC'S RECENTLY BUT STATED THAT DEBT IS JUST ONE
ASPECT OF LARGER ISSUES OF DEVELOPMENT AND RESOURCE
AVAILABILITY AND CANNOT BE EXAMINED IN ISOLATION FROM
OTHER RELEVANT FACTORS.

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PAGE 03 GUATEM 02577 02 OF 02 281532Z

11. OF AT LEAST PASSING INTEREST WAS THE ROUT OF A
UK PROPOSAL, SUPPORTED BY THE FRENCH, TO REDRAFT
LANGUAGE IN THE REPORT CRITICAL OF THE EC'S RELATIONS
WITH LATIN AMERICA. THE PROPOSAL WAS ABSOLUTELY
REJECTED BY THE LATINS LED BY GUATEMALA, COLOMBIA
AND CUBA.

12. IMF AND WORLD BANK REPRESENTATIVES CHALLENGED THE
VALIDITY OF THE PESSIMISTIC TONE OF THE REPORT ON LA
FINANCIAL PROSPECTS. THE UK DEL ALSO CRITICIZED THIS
PESSIMISTIC TONE AND THE SUGGESTION THAT LATINS ARE AT
THE MERCY OF EXTERNAL FACTORS.

13. FOLLOWING DISCUSSION OF PLAN OF ACTION, COMMITTEE
I CONVERTED ITSELF INTO CONTACT GROUP, CHAIRED BY LEONEL
TORRES OF COLOMBIA, TO CONSIDER RESOLUTIONS OR PROPOSALS
THAT SHOULD ISSUE FROM MEETING ON SUBSTANTIVE MATTERS.
POSSIBILITIES INCLUDE A) RESOLUTION FORWARDING CEGAN
REPORT TO ECOSOC AS A LATIN/CARIBBEAN STATEMENT; B)
RESOLUTION INSTRUCTING ECLA SECRETARIAT IN ITS FURTHER
WORK ON TOPICS COVERED IN CEGAN REPORT; C) SERIES OF
RESOLUTIONS ON SUBJECTS SUCH AS TRADE, SCIENCE AND
TECHNOLOGY, RESOURCE FLOWS, MARITIME TRANSPORT, ETC.;
D) JOINT DECLARATION BY ALL ECLA MEMBERS ON SHARED CONCERNS
ON CURRENT ECONOMIC AND SOCIAL SITUATION; OR E) SOME
COMBINATION OF THESE ACTIONS. NOTHING DEFINITIVE CAN BE
EXPECTED OF CONTACT GROUP UNTIL AT LEAST APR 28.
EXECUTIVE SECRETARY IGLESIAS AND COMMITTEE I CHAIRMAN
HERRERA ROA ARE HOPEFUL ON JOINT DECLARATION SUPPORTED
BY BOTH DEVELOPED AND DEVELOPING MEMBERS. OTHER
DELEGATIONS, HOWEVER, STILL HAVE TO BE BROUGHT ON
BOARD.

14. BOLIVIA, CITING PRESIDENT'S OAS SPEECH, STATED
IT WOULD BE USEFUL IF U.S. WOULD EXPLAIN ITS VIEWS ON
COOPERATION WITH LA ON INTEGRATION PROCESS. U.S.
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PAGE 04 GUATEM 02577 02 OF 02 281532Z

RESPONDED THAT IT DOES FAVOR ECONOMIC INTEGRATION BUT POINTED OUT IMPETUS FOR INTEGRATION MUST COME FROM COUNTRIES INVOLVED, CITING U.S. ASSISTANCE TO INTEGRATION MOVEMENT IN CENTRAL AMERICAN, CARIBBEAN, AND ANDEAN SUBREGIONS.

15. COMMENTS

AT MID-POINT OF ECLA MEETING, GENERALLY CONSTRUCTIVE MOOD PREVAILS. WHILE POSSIBLE DEBATE ON RESOLUTIONS MAY PRODUCE SOME DISHARMONY, EXPECTATION IS THAT POSITIVE ATTITUDES WILL CONTINUE INTO MINISTERIAL MEETING NEXT WEEK. INTEREST IN PARTICIPATION OF AMBASSADOR YOUNG REMAINS HIGH.
BOSTER

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SAS ID: 2661603
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Subject: ECLA: SECOND DELEGATION REPORT
TAGS: EGEN, ECIN, GT, ECLA
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